Company Number: 04610018

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

CAPRICORN RESOURCES PLC

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

CAPRICORN RESOURCES PLC

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:	B M Moritz N P G Wyatt
SECRETARY:	Cargil Management Services Limited
REGISTERED OFFICE:	27-28 Eastcastle Street London W1W 8DH
REGISTERED NUMBER:	04610018 (England and Wales)
AUDITORS:	Maxwell & Co 9 Abbey Business Park Monks Walk Farnham Surrey GU9 8HT
BANKERS:	Natwest Plc Baker Street Branch London W1A 2BA

CAPRICORN RESOURCES PLC

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

The Strategic Report is a statutory requirement under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is intended to provide fair and balanced information that enables the directors to be satisfied that they have complied with s172 of the Companies Act 2006 which sets out the directors' duty to promote the success of the Company.

REVIEW OF BUSINESS

Principal activity

The Company has been dormant for some years. It is seeking to acquire a company carrying on business in mining and exploration for natural resources by way of a reverse takeover. In pursuit of this strategy the Company has examined a number of potential transactions, and the Directors remain hopeful that they will be in a position to ask shareholders to approve such a transaction under the timescale set out below. The intention remains to undertake an IPO to finance the project in conjunction with a listing on the London Stock Exchange.

The main geographical focus of the Company recently has been Southern Africa, primarily Botswana, which is believed to be the most stable environment in Africa for natural resource projects.

Coal is expected to remain essential for power generation in the third world for many years. In South Africa the current coal fired power stations are not intended to be phased out until the mid 2040s and a substantial shortfall is predicted in available supplies of coal for more than 20 years. A project in the Mmamabula coalfield, approximately 140 km north of Gaborone, has been identified as a potential target. The main market for the coal mined at Mmamabula is expected to be in South Africa, or for onward export through the Richards Bay coal terminal. Because of the terms of the Prospecting Licence covering the project area, it was not possible to list and complete the application for a mining licence within the remaining period of the prospecting licence. The project is being taken forward privately until a mining licence is obtained. The application process had a long lead time, estimated at up to 14 months, due primarily to consultation periods around the necessary environmental approvals. It also required the production of a definitive feasibility study, so that the IPO will be expected to raise the equity portion of the mining finance required to commence production. Due to covid related delays in processing mining licence applications by the Government of Botswana, the licence is now expected to be issued in H2 of 2022. Before proceeding further, it will be necessary to gauge the appetite of the market for coal projects in the light of the move to de-carbonise economies around the world, although the market for African coal remains strong.

The directors have also examined a coal project situated near Newcastle in KwaZulu Natal, South Africa. This project was smaller than Mmamabula and could have been brought into production at a much lower cost, but it was not possible to agree terms and, in particular, timing, for the acquisition of the prospecting right.

The directors have also identified a copper mining project in Northern Botswana, in the vicinity of Francistown. A proposal to take this forward by injecting the prospecting licence into Capricorn has been made to the current owner of the licence. This remains under consideration by the licence holder.

Any transaction will be subject to the approval of shareholders, to authorise the issue of the required shares, and also because it is likely to be a related party transaction. Each of the Directors has a minor interest in the consortium financing the costs of work required to obtain the mining licence for the Mmamabula project, including environmental impact and marketing studies and the costs of the DFS and CPR, and the position is likely to be similar for other projects.

Share issues and loans

CAPRICORN RESOURCES PLC

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Despite reducing cost to a minimum level, Capricorn's cash resources remain at a low level. In 2017 an open offer to shareholders at par raised £15,000, of which the majority was subscribed by Brian Moritz. This resulted in his percentage of the total issued share capital increasing to a level of some 27%, so that it is not possible for him to increase that percentage shareholding by a material amount without triggering an obligation under Rule 9 of the City Code on Takeovers and Mergers. Brian Moritz has therefore continued to support the company by making interest free, unsecured loans. It is intended that any reverse transaction will be proposed at a premium of 50% over par, the price at which shares were last issued, and that the loans from Brian Moritz will be capitalised

Financial performance

During the year the Company made a loss of £3,959 (2020: loss £4,445). This loss reflects overhead costs which the Directors believe have been reduced to a minimum while the search for a business opportunity continues. Neither of the Directors is remunerated by the Company. Cash at 31 December 2021 was £3,430 (2020: £3,166). This level of cash included a loan of £4,000 by Brian Moritz, but did not ensure that the Company had sufficient working capital for the next 12 months, and Brian Moritz has subsequently made a further interest free loan of £4,000 to the company.
In view of the fact that the Company is dormant the Directors do not consider that identification or evaluation of Key Performance Indicators is feasible.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board reviews the risks to which the Company is exposed and ensures that these risks are minimised as far as possible.

INVESTMENT RISK

The Company has been seeking a suitable investment for a considerable period. There is no certainty that the Company will be successful in identifying and completing a suitable investment.

FINANCING & LIQUIDITY RISK

The Company will have an ongoing requirement to fund its activities through the equity markets and in future to obtain finance for project development. There is no certainty such funds will be available when needed.

POLITICAL RISK

All countries carry political risk that can lead to interruption of activity. Politically stable countries can have enhanced environmental and social permitting risks, risks of strikes and changes to taxation whereas less developed countries can have in addition, risks associated with changes to the legal framework, civil unrest and government expropriation of assets.

PARTNER RISK

In South Africa, Black Economic Empowerment legislation requires historically disadvantaged South Africans to have a minimum 26% interest in all mining and exploration projects, and similar requirements may be introduced in other countries in Southern Africa. At present no such legislation exists in Botswana, although the projects under consideration are likely to have substantial local Botswanan ownership. The Company could be adversely affected if joint venture partners are unable or unwilling to perform their obligations or fund their share of future developments.

INTERNAL CONTROLS & RISK MANAGEMENT

The Directors are responsible for the Company's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Company's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

BRIBERY RISK

The Company has adopted an anti-corruption policy and whistle blowing policy under the Bribery Act 2010. Notwithstanding this, the Company may be held liable for offences under that Act committed by its employees or subcontractors, whether or not the Company or the Directors have knowledge of the commission of such offences

ON BEHALF OF THE BOARD:

B Moritz
Director
13 June 2022

ON BEHALF OF THE BOARD:

B M Moritz - Director

13th June 2022

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

REVIEW OF BUSINESS
The company reports a loss before and after tax of £3,959 for the year (2020: loss £4,445)

DIVIDENDS
The directors do not recommend the payment of a dividend (2020: nil)

DIRECTORS
The directors during the year under review were:

B M Moritz
N P G Wyatt

The beneficial interests of the directors holding office on 31 December 2021 in the issued share capital of the company were as follows:

	31.12.21	1.1.21
Ordinary shares 0.1p shares		
B M Moritz	22,100,742	22,100,742
N P G Wyatt	-	-

DIRECTORS' INDEMNITIES
The Company intends to maintain directors' and officers' liability insurance providing appropriate cover for any legal action brought against its directors and/or officers, but no such policy is currently in place.

POLITICAL DONATIONS AND EXPENDITURE
There were no political donations during the year (2020: £nil).

GOING CONCERN
The directors adopt the going concern basis in preparing these financial statements. This is further explained in note 2 to the financial statements.

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In the case of each person who was a director at the time this report was approved

So far as that directors are aware there is no relevant audit information of which the auditors are unaware

they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of the information.

AUDITORS
The auditors, Maxwell & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

B M Moritz - Director

13th June 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CAPRICORN RESOURCES PLC

Opinion
We have audited the financial statements of Capricorn Resources Plc (the 'company') for the year ended 31 December 2021 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CAPRICORN RESOURCES PLC

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to the UK Corporate Governance Code, the listing rules of the UK Financial Conduct Authority, applicable Generally Accepted Accounting Principles and the Companies Act 2006. We assessed whether non compliance would have a material affect on the financial statements.

The company has not traded during the year and incurred a loss due to administration costs in meeting its reporting requirements.

Following discussions with management and the low volumes of transactions, we believe that our audit procedures are capable of of detecting irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CAPRICORN RESOURCES PLC

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

H W G Maxwell (Senior Statutory Auditor)
for and on behalf of Maxwell & Co
9 Abbey Business Park
Monks Walk
Farnham
Surrey
GU9 8HT

Date: 13/6/2022

CAPRICORN RESOURCES PLC

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
CONTINUING OPERATIONS			
Revenue		-	-
Administrative expenses		(3,959)	(4,445)
OPERATING LOSS		(3,959)	(4,445)
LOSS BEFORE INCOME TAX	4	(3,959)	(4,445)
Income tax	5	-	-
LOSS FOR THE YEAR		(3,959)	(4,445)

The notes form part of these financial statements

CAPRICORN RESOURCES PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
LOSS FOR THE YEAR	(3,959)	(4,445)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(3,959)	(4,445)

The notes form part of these financial statements

CAPRICORN RESOURCES PLC (REGISTERED NUMBER: 04610018)

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	2021 £	2020 £
ASSETS			
CURRENT ASSETS			
Trade and other receivables	6	-	493
Cash and cash equivalents	7	3,430	3,166
		3,430	3,659
TOTAL ASSETS		3,430	3,659
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	8	81,900	81,900
Share premium	9	495,117	495,117
Other reserves	9	56,800	56,800
Retained earnings	9	(641,761)	(637,802)
TOTAL EQUITY		(7,944)	(3,985)
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	11,374	7,644
TOTAL LIABILITIES		11,374	7,644
TOTAL EQUITY AND LIABILITIES		3,430	3,659

The financial statements were approved by the Board of Directors and authorised for issue on 13th June 2022 and were signed on its behalf by:

B M Moritz - Director

The notes form part of these financial statements

CAPRICORN RESOURCES PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Retained earnings £	Share premium £	Other reserves £	Total equity £
Balance at 1 January 2020	81,900	(633,357)	495,117	56,800	460
Changes in equity					
Total comprehensive income	-	(4,445)	-	-	(4,445)
Balance at 31 December 2020	81,900	(637,802)	495,117	56,800	(3,985)
Changes in equity					
Total comprehensive income	-	(3,959)	-	-	(3,959)
Balance at 31 December 2021	81,900	(641,761)	495,117	56,800	(7,944)

The notes form part of these financial statements

CAPRICORN RESOURCES PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	(4,072)	(4,984)
Net cash from operating activities		(4,072)	(4,984)
Cash flows from financing activities			
Amount introduced by directors		4,336	115
Net cash from financing activities		4,336	115
Increase/(decrease) in cash and cash equivalents		264	(4,869)
Cash and cash equivalents at beginning of year	2	3,166	8,035
Cash and cash equivalents at end of year	2	3,430	3,166

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Loss before income tax	(3,959)	(4,445)
Decrease in trade and other receivables	493	519
Decrease in trade and other payables	(606)	(1,058)
Cash generated from operations	**(4,072)**	(4,984)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	3,430	3,166

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	3,166	8,035

1. STATUTORY INFORMATION

Capricorn Resources Plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

continued...

2. ACCOUNTING POLICIES

Basis of preparation

2. Going concern

The Company's cash resources at 31 December 2020, were £3,166, and have subsequently been increased by a loan of £4,000 received from B Moritz. Together, these funds are sufficient to cover committed overhead costs for 2021. However, should a transaction such as those referred to in the Strategic Report proceed, the company may be required to pay part of the cost of the IPO in advance of the funds from the IPO being available. Under these circumstances the Company will seek pre-IPO finance, but in the absence of this, the Chairman, Brian Moritz, has agreed to advance sufficient funds to the Company by way of loan.

3. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union, and the Companies Act 2006 as applicable to entities reporting in accordance with IFRS.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated.

(c) Functional and presentation currency

These financial statements are presented in Pounds Sterling ('GBP'), which the Company's functional currency and is considered by the Directors to be the most appropriate presentation currency to assist the users of the financial statements.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

4. Significant accounting policies

The accounting policies set out below have been or will be applied consistently. The consolidation policies have been adopted in preparation for the proposed acquisition described in the Strategic Report

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Company measures goodwill at the acquisition date as:

" the fair value of the consideration transferred; plus
" the recognised amount of any non-controlling interests in the acquiree; plus
" if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
" the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

continued...

When the excess is negative, a bargain purchase price is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(i) Subsidiaries
The company has no subsidiaries at the date of these financial statements.

(b) Foreign currency

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between carrying value in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

(c) Financial instruments

(i) Non-derivative financial assets
The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred assets that is created or retained by the Company recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company's non-derivative financial assets comprise loans and receivables.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables.

Cash and cash equivalents

continued...

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(ii) Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

(iii) Share capital

Ordinary shares
Ordinary shares are classified as equity. Where material, incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(d) Property, plant and equipment

(i) Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs
Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation
The company will apply depreciation methods, useful lives and residual values to assets at such time that it has any tangible assets.

(e) Intangible assets

(i) Goodwill
Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets.

(ii) Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Amortisation
Except for goodwill, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

continued...

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Amortisation is included within administrative expenses in the statement of profit or loss and other comprehensive income, if relevant.

(f) Impairment

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Impairment losses are recognised in the Company statement of profit or loss and other comprehensive income.

Goodwill is assessed annually for possible impairment. Impairment losses relating to goodwill are not reversed.

(g) Provisions
A provision is recognised in the statement of financial position if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(h) Revenue
Revenue from sales is recognised in the statement of profit or loss and other comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer excluding sales taxes.

(i) Taxation
Tax on the profit or loss for the period comprises current and deferred tax. Current tax and deferred tax is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

5. New standards and interpretations

Amendments to the following International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) have been implemented by the Company in the period ended 31 December 2020 and have changed the Company's accounting policies:

Amendments to IFRS 3 Business Combinations
Amendments to IFRS 9, IAS39 Financial Instruments: Recognition & Measurement and IFRS 7 Financial Instruments: Disclosure
Amendments to IAS 1 & IAS 8 - Definition of material

Effect of changes in accounting policies:

continued...

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations. The amendments clarify the minimum activities to be carried out and assets held for an activity to be considered a business. The Company has adopted the amendments to IFRS 3 for the year ended 31 December 2020 and has made no transitional adjustments to the accounting treatment of business combinations.

The IASB issued amendments to IFRS 9 and IFRS 7 to provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. The Company has adopted the amendments to IFRS 9 & IFRS 7 for the year ended 31 December 2020 and has made no transitional adjustments to the accounting treatment of financial instruments.

The IASB issued amendments to IAS 1 and IAS 8 to clarify that materiality will depend on the nature or magnitude of information, or both. The Company has adopted the amendments to IAS 1 & IAS 8 for the year ended 31 December 2020 and has made no transitional adjustments to the disclosures for material items that could influence the users of the financial statements

Cash and cash equivalents
Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2021 nor for the year ended 31 December 2020.

	2021	2020
	£	£
Directors' remuneration	-	-

4. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	2021	2020
	£	£
Auditors' remuneration	2,728	1,812

5. INCOME TAX

Analysis of tax expense
No liability to UK corporation tax arose for the year ended 31 December 2021 nor for the year ended 31 December 2020.

6. TRADE AND OTHER RECEIVABLES

	2021	2020
	£	£
Current:		
Prepayments	-	493

continued...

7. CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Bank accounts	3,430	3,166

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
81,899,554	Ordinary shares	0.1p	81,900	81,900

The calculation of basic loss per share at 31 December 2020 is based on the loss attributable to ordinary shareholders of £4,445 (2019: £5,132), and a weighted average number of ordinary shares in issue of 81,899,554 (2019: 81,899,554), calculated as follows:

Weighted average number of ordinary shares:

	2020	2019
Issue at beginning of period	81,899,554	81,899.554
Effect of shares issued		
Weighted average number of ordinary shares	81,899,554	81,899,554

9. RESERVES

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 January 2021	(637,802)	495,117	56,800	(85,885)
Deficit for the year	(3,959)			(3,959)
At 31 December 2021	(641,761)	495,117	56,800	(89,844)

10. TRADE AND OTHER PAYABLES

	2021 £	2020 £
Current:		
Trade creditors	422	1,228
Accruals and deferred income	2,001	1,801
Directors' current accounts	8,951	4,615
	11,374	7,644

continued...

11. FINANCIAL INSTRUMENTS

Financial risk management
The Company's operations expose it to a variety of financial risk. The Company will have in place a risk management programme that seeks to limit the adverse effect of such risks on its financial performance which is provided below.

Environmental risk
The Company's operations will be subject to environmental regulation and the Company will be unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would adversely affect the Company's operations. There can be no assurance that such new environmental legislation once implemented will not oblige the Company to incur significant expenses and undertake significant investments.

Capital management
The Company's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, in order to support continued operations.

The Company considers its capital to be total shareholders' equity which at 31 December 2020 totalled (Loss £3,984) (2019: £5,598).

12. RELATED PARTY DISCLOSURES

The Company's related parties include its directors.

The director's loan of £4,615 (2019: £4,500) is interest free with no fixed repayment terms.

Transactions with related parties take place on terms no more favourable than transactions with unrelated parties.